

Special Education "Allowable Costs"

Montana's state funding for special education and the required local matching funds must be spent for certain types of expenditures that are referred to as "Allowable Costs." The state payments for special education are often called the "State Special Education Allowable Costs Funding."

If a school district does not spend the State Special Education Allowable Costs Funding and required local match on these allowable costs, the district must refund the money to the State of Montana. In that case, the state withholds the refund from the district's state special education payments for the following year.

The following law lists the "Allowable Costs:"

20-7-431. Allowable cost schedule for special programs -- superintendent to make rules -- annual accounting. (1) For the purpose of determining the allowable cost payment amount for special education as defined in [20-9-321](#), the following allowable costs and reports must be reviewed by the superintendent of public instruction for the purposes of determining the amount of the allowable cost payment for special education payments and a district's special education expenditures:

- (a) instruction: salaries, benefits, supplies, textbooks, and other expenses, including:
 - (i) the cost of salaries and benefits of special program teachers, regular program teachers, and teacher aides, corresponding to the working time that each person devotes to the special program;
 - (ii) the total cost of teaching supplies and textbooks for special programs;
 - (iii) the purchase, rental, repair, and maintenance of instructional equipment required to implement a student's individualized education program;
 - (iv) activities associated with teacher assistance teams that provide prereferral intervention;
 - (v) the cost of contracted services, including fees paid for professional advice and consultation regarding special students or the special program, and the delivery of special education services by public or private agencies;
 - (vi) transportation costs for special education instructional personnel who travel on an itinerant basis from school to school or district to district or to in-state child study team meetings or in-state individualized education program meetings;
 - (b) related services, including:
 - (i) the cost of salaries and benefits of professional supportive personnel, corresponding to the working time that each person devotes to the special program. Professional supportive personnel may include special education supervisors, speech-language pathologists, audiologists, counselors, social workers, psychologists, psychometrists, physicians, nurses, and physical and occupational therapists.
 - (ii) the cost of salaries and benefits of clerical personnel who assist professional personnel in supportive services, corresponding to the working time that each person devotes to the special program;
 - (iii) the cost of supplies for special programs;
 - (iv) activities associated with teacher assistance teams that provide prereferral interventions;
 - (v) the cost of contracted services, including fees paid for professional advice and consultation regarding special students or the special program, and the delivery of special education services by public or private agencies;
 - (vi) transportation costs for special education-related services personnel who travel on an itinerant basis from school to school or district to district or to in-state child study team meetings or in-state individualized education program meetings;
 - (vii) equipment purchase, rental, repair, and maintenance required to implement a student's individualized education program;
 - (viii) the additional cost of special education cooperatives or joint boards, including operation and maintenance, travel, recruitment, and administration.
- (2) The superintendent of public instruction shall adopt rules in accordance with the policies of the board of public education for keeping necessary records for supportive and administrative personnel and any personnel

shared between special and regular programs.

(3) An annual accounting of all expenditures of school district general fund money for special education must be made by the district trustees on forms furnished by the superintendent of public instruction. The superintendent of public instruction shall make rules for the accounting.

(4) Allowable costs prescribed in this section do not include the costs of the teachers' retirement system, the public employees' retirement system, or the federal social security system or the costs for unemployment compensation insurance.

(5) Notwithstanding other provisions of the law, the superintendent of public instruction may not approve an allowable cost payment amount for special education that exceeds legislative appropriations. However, any unexpended balance from the first year of a biennial appropriation may be spent in the second year of the biennium in addition to the second year appropriation.

History: En. 75-7813.1 by Sec. 1, Ch. 344, L. 1974; amd. Sec. 13, Ch. 539, L. 1977; R.C.M. 1947, 75-7813.1; amd. Sec. 1, Ch. 481, L. 1979; amd. Sec. 1, Ch. 661, L. 1979; amd. Sec. 1, Ch. 166, L. 1981; amd. Sec. 1, Ch. 548, L. 1983; amd. Sec. 1, Ch. 376, L. 1985; amd. Sec. 1, Ch. 243, L. 1987; amd. Sec. 19, Ch. 11, Sp. L. June 1989; amd. Sec. 7, Ch. 765, L. 1991; amd. Sec. 1, Ch. 466, L. 1993; amd. Sec. 55, Ch. 633, L. 1993; amd. Sec. 1, Ch. 145, L. 2001.

For additional information concerning allowable costs, contact OPI Special Education Division staff members:

[http:// www.opi.state.mt.us/SpecEd/index.html](http://www.opi.state.mt.us/SpecEd/index.html)